

**MINUTES**  
**ALABAMA REAL ESTATE APPRAISERS BOARD**  
**RSA UNION BUILDING**  
**100 NORTH UNION STREET**  
**SUITE 370**  
**MONTGOMERY, ALABAMA**  
**March 15, 2002**

**MEMBERS PRESENT:**

Mr. Kenneth Keener  
Mr. Ronald Parker (arriving at 9:15 a.m.)  
Mr. Steve Martin  
Mr. Chester Mallory  
Mr. Wilder H. Cheney  
Mr. Gary Carter  
Mr. R. L. Farmer, Jr.

**MEMBERS ABSENT:**

Mr. Otis Stewart, Jr.  
Mrs. Jane Mardis

**OTHERS PRESENT:**

Mr. J.W. Holland, Jr.  
Mrs. Lisa Brooks  
Ms. Neva Conway  
Mr. Barry Hollyfield  
Mr. Randy Robertson

**GUESTS PRESENT:**

Ms. Kathryn Gearheard  
Ms. Vicki Ledbetter  
Ms. Laura Birmingham

- 1.0 With quorum present Mr. Chester Mallory called the meeting to order at 9:10 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3<sup>rd</sup>. Floor Conference Room, Montgomery, Alabama.
- 1.1 The meeting was opened with prayer by Mr. Farmer and then the Pledge of Allegiance.

2.0 Members present were Mr. Ronald Parker (arriving at 9:15 a.m.), Mr. Steve Martin, Mr. Wilder H. Cheney, Mr. Chester Mallory, Mr. Gary Carter, Mr. R. L. Farmer, Jr. and Mr. Ken Keener. Member absent was Mrs. Jane Mardis and Mr. Otis Stewart, Jr. At this time Mr. Mallory welcomed our guests.

3.0 On motion by Mr. Farmer and second by Mr. Cheney the regular minutes for February 15, 2002 were approved as written. All in favor, motion carried.

At this time Mr. Mallory turned the meeting over to Chairman Parker.

3.2 Ms. Conway informed the Board the Meadows and Brasher disciplinary hearings were continued by the Administrative Law Judge to the April Board meeting. She also informed the Board that the motion hearing for the Knight case in Clarke County Circuit Court was continued to March 26, 2002.

4.0 Ms. Conway informed the Board our proposed legislation HB400 is out of committee and still waiting on its 3<sup>rd</sup>. reading. Our Companion Bill SB307 has stalled along with many other bills in the Governmental Affairs Committee. The only Bills passed thus far are Redistricting and Sunset Bills.

5.0 On motion by Mr. Parker and second by Mr. Martin with Mr. Carter abstaining the following applications were voted on as listed. All in favor, motion carried.

5.1 **Trainee Real Property Appraiser applications approved:** Jeffrey Baker, Karen K. Beane, Bridget H. Bilbrey, John Cook, Jack Gaines, II, Todd S. Guthrie, Brian Huddleston, Joseph Huggins, John C. Johnson, Marion Kelly, Daniel Kemp, Peggy Mashburn, Joseph McAleer, Marcus McCollum, Michael McCracken, Leon Nelson, Jr., James Trout, Darryl Truett, Darrell Willeford.

5.2 **State Registered Real Property Appraiser application deferred:** Mr. Larry W. Humber.

5.3 **Licensed Real Property Appraiser application approved:** Jason D. White (Recip.)(GA). **Application denied:** Roland N. Coan.

5.4 **Certified Residential Real Property Appraiser applications approved:** John C. Bach, Charles L. Robertson, Andrew D. Widener. **Applications deferred:** Charles K. Brothers, Scott N. Gartman, Jennifer K. Spears, John P. Springer, Howard D. Thomas.

5.5            **Certified General Real Property Appraiser applications approved:**  
Eben P. Bryant (Recip.)(GA), William R. Parrish (Recip.)(TN), Joseph H.  
Rexroat (Recip.)(GA). **Application deferred:** Stephen D. Collins.  
**Application denied:** Christopher A. Baker.

6.0            Mr. Mallory gave financial report informing the Board that we were 41%  
into the fiscal year and 41% into budget expenditures. Mr. Holland stated  
at this time there were no negative trends, which could not be reconciled.  
On motion by Mr. Cheney and second by Mr. Martin the Board voted to  
accept the financial report as read. All in favor, motion carried.

6.1            On motion by Mr. Martin and second by Mr. Mallory the following education  
courses and instructor recommendations were approved or denied as indicated:

**MCKISSOCK DATA SYSTEMS**

(C.E.) Developing & Growing an Appraisal Practice – Virtual Classroom  
- 10 Hours (Approved last month for 7 hours)  
(Approved Instructor: Alan Simmons)

All in favor, motion carried.

6.2            The Board reviewed the following disciplinary report, which was included  
in their Board books. On March 5, 2002 a Letter of Warning was issued  
to a Licensed Real Property Appraiser in connection with the appraisal of  
a single-family residential property in which he signed as the supervisory  
appraiser. The Letter of Warning is an informal disciplinary action and  
will be a permanent document maintained in the investigative file. This  
disciplinary action will be considered in any future discipline proceedings.  
The USPAP violations identified in the appraisal report are detailed as  
follows: There is no narrative to support the significant difference in the  
actual age of the subject property and in the reported effective age; the  
Cost Approach value was derived using a miscalculated depreciation rate  
due to the method of determining the effective age of the subject property;  
the Sales Comparison Approach was not reconciled to the value stated in  
the report; the intended use of the appraisal is not reported; Licensee failed  
to include a scope statement; Licensee failed to include a narrative  
summary to describe how the site value was derived; Licensee failed to  
properly perform the Final Reconciliation of the subject appraisal report-  
the Cost Approach was not mentioned. The following USPAP Standards  
were violated: 1-1(a), 1-3(a), 1-4(a), 1-4(b)(i), 1-4(b)(iii), 1-5(c), 2-1(a), 2-  
1(b), 2-2(b)(ii), 2-2(b)(vii), and 2-2(b)(ix).

On March 5, 2002 a Letter of Warning was issued to a trainee Real  
Property Appraiser in connection with the appraisal of a single-family  
residential property in which he signed as the primary appraiser. The  
Letter of Warning is an informal disciplinary action and will be a

permanent document maintained in the investigative file. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed follows: There is no narrative to support the significant difference in the actual age of the subject property and the reported effective age; the Cost Approach value was derived using a miscalculated depreciation rate due to the method of determining the effective age of the subject property; the Sales Comparison Approach was not reconciled to the value stated in the report; the intended use of the appraisal is not reported; Licensee failed to include a scope statement; Licensee failed to include a narrative summary to describe how the site value was derived; Licensee failed to properly perform the Final Reconciliation of the subject appraisal report-the Cost Approach was not mentioned. The following USPAP Standards were violated: 1-1(a), 1-3(a), 1-4(a), 1-4(b)(i), 1-4(b)(iii), 1-5(c), 2-1(a), 2-1(b), 2-2(b)(ii), 2-2(b)(vii), and 2-2(b)(ix).

On February 11, 2002 a Letter of Warning was issued to a State Registered Real Property Appraiser in connection with the appraisal of residential property in which she signed as the primary appraiser. The Letter of Warning is an informal disciplinary action and will be a permanent document maintained in the investigative file. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: There is no statement of intended use or scope of the appraisal process; there is no summary of the information considered and the reasoning supporting the analysis, opinions, and conclusions in the sales comparison value conclusion; there is no narrative summary to explain the method used to derive site value; the sales history is not fully reported and analyzed. The following USPAP Standards were violated: 1-1(b), 1-5(b)(i), 1-5(c), 2-1(b), 2-2(b)(ii), 2-2(b)(vii), and 2-2(b)(ix). Also violated was Code of Alabama, 1975, §34-27A-9(2)(a): The appraisal was completed for a federally related transaction without obtaining a supervisor appraiser's signature.

Mr. Holland discussed with the Board the investigative status charts. Mr. Holland once again commended the investigative staff for the good work in their progress toward cleaning up the cases.

At this time Ms. Kathryn Gearheard from the Appraisal Subcommittee discussed with the Board the findings after completing a compliance review of our agency. The Board will receive a formal report on the review. In general the results were said to be very good. Some backlog on complaints was recognized. It was further recognized that the source of the problem had been identified and that remedial measures implemented were already producing the desired results. The review team was complimentary of both the staff and the Board.

- 6.2.1 The Board reviewed Probable Cause Report AB-00-35. On motion by Mr. Keener and second by Mr. Martin the Board voted to proceed with formal investigation. On amended motion by Mr. Parker and second by Mr. Keener the Board found that probable cause did exist and to proceed with formal investigation. All in favor, motion carried.

Board reviewed Probable Cause Report AB-00-39. On motion by Mr. Farmer and second by Mr. Keener the Board found that probable cause did exist and voted to proceed with a formal investigation. All in favor, motion carried.

Board reviewed Probable Cause Reports AB-01-87 and AB-01-88 (Companion Cases). On motion by Mr. Mallory and second by Mr. Keener the Board found that probable cause did exist and voted to issue Letter of Counsel. All in favor, motion carried.

Board reviewed Probable Cause Report AB-02-07. On motion by Mr. Farmer and second by Mr. Martin the Board did not find probable cause and voted to dismiss. All in favor, motion carried.

Board reviewed report AB-02-21 by Ms. Conway. On motion by Mr. Cheney and second by Mr. Carter the Board voted to open complaint. All in favor, motion carried.

- 6.2.2 Board reviewed Probable Cause Reports AB-02-17 and AB-02-18 (Companion Cases), which were anonymous complaints. On motion by Mr. Farmer and second by Mr. Cheney the Board voted to proceed with Board initiated investigation. All in favor, motion carried.

At 11:30 a.m. on motion by Mr. Martin and second by Mr. Farmer the Board went into Executive Session to deliberate the reconsideration of Barbara Mitchell. All in favor, motion carried.

At 11:35 a.m. the Board went back into Regular Session.

- 6.2.3 Board reviewed Consent Settlement Order on AB-00-19. A motion was made by Mr. Farmer and second by Mr. Cheney to reject the Consent Settlement Order. Those in favor were Mr. Cheney, Mr. Mallory and Mr. Farmer. Those opposed were Mr. Martin, Mr. Carter, Mr. Keener and Mr. Parker. Motion failed. Motion was made by Mr. Martin and second by Mr. Keener to accept the Consent Settlement Order as written. Those in favor were Mr. Martin, Mr. Cheney, Mr. Carter, Mr. Keener and Mr. Parker. Those opposed were Mr. Farmer and Mr. Mallory. Motion carried.

Board reviewed Consent Settlement Order on AB-00-37. A motion was made by Mr. Keener and second by Mr. Martin to accept the Consent Settlement Order as written. Those in favor were Mr. Martin, Mr. Cheney, Mr. Carter, Mr. Keener and Mr. Parker. Those opposed were Mr. Farmer with Mr. Mallory abstaining. Motion carried.

Board reviewed Consent Settlement Order on AB-00-38. A motion was made by Mr. Martin and second by Mr. Keener to accept the Consent Settlement Order as written. Those in favor were Mr. Martin, Mr. Cheney, Mr. Carter, Mr. Keener and Mr. Parker. Those opposed were Mr. Farmer with Mr. Mallory abstaining. Motion carried.

Board reviewed Consent Settlement Order on AB-00-48. A motion was made by Mr. Keener and second by Mr. Cheney to accept the Consent Settlement Order as written. Those in favor were Mr. Martin, Mr. Cheney, Mr. Carter, Mr. Keener, Mr. Mallory and Mr. Parker. With Mr. Farmer opposing the motion carried.

Mr. Farmer left meeting at 1:25 p.m.

Board reviewed Consent Settlement Order on AB-00-96, AB-00-97 and AB-00-98. A motion was made by Mr. Martin and second by Mr. Keener to accept the Consent Settlement Order as written. All in favor, motion carried.

Board reviewed Voluntary Revocation Consent Order on AB-01-18. On motion by Mr. Martin and second by Mr. Keener the Board voted to accept the Voluntary Revocation Consent Order as written. All in favor, motion carried.

Board reviewed Consent Settlement Order on AB-01-61. On motion by Mr. Cheney and second by Mr. Carter the Board voted to accept the Consent Settlement Order as written. All in favor, motion carried.

Mr. Parker asked that the Discipline Committee get together to discuss the standardized disciplinary guidelines.

- 6.3 No reciprocal agreements to report since last meeting.
- 6.4 The following reciprocal licenses were issued since last Board meeting: Eben P. Bryant (G)(GA), Jason D. White (L)(GA).
- 7.0 The temporary permit report was provided to the Board for their information.

- 8.0 The Board discussed and worked on revision of the Trainee/Supervisor Policy. This policy must go through the Administrative Code process once the final revised draft is approved.

Mr. Holland reminded the Board that the next AARO Conference would be April 27-30, 2002 in Seattle, Washington. Those interested in going are Mrs. Mardis, Mr. Mallory and tentatively Mr. Keener.

Mr. Holland informed the Board that new Board Investigator, Mrs. Kathryn Bentley would be starting on Monday, March 18, 2002.

Mr. Holland informed the Board that Mrs. Beth Johnson our Education Coordinator has turned in her resignation to go be a full time mom.

Mr. Holland informed the Board that Ms. Jennifer Henderson would be having colon surgery on March 20, 2002.

### **Reconsideration Hearing**

11:00 a.m. – Barbara Mitchell (applied for T) – Approved – On motion by Mr. Keener and second by Mr. Mallory. All in favor, motion carried.

The next meeting will be tentatively set for April 18-19, 2002.

- 9.0 Meeting adjourned at 3:05 p.m.

Sincerely,

Lisa Brooks  
Executive Secretary

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**APPROVED:** \_\_\_\_\_  
**Ronald Parker, Chairman**